

## Function 650: Social Security

Function 650 includes mandatory spending to pay Social Security retirement and disability benefits to 45 million people, and appropriated funding to administer these programs.

- ***Administrative Funding*** — The House Republican budget is identical to the President's budget. For 2003, the House Republican resolution provides \$3.9 billion to administer Social Security benefits. For 2003, this is a 9.4 percent increase over the 2002 enacted level. Over five years (2003-2007), \$20.8 billion is included in the Republican budgets for this purpose.<sup>23</sup>
- ***No Benefit or Payroll Tax Changes*** — Like the President's budget, the House Republican budget does not propose any changes for Social Security benefits or payroll taxes.
- ***House Republican Budget Makes Long-Term Reform Impossible*** — The House Republican budget mirrors the President's budget. As pointed out by the President's hand-picked Social Security privatization commission, the Administration's intention to replace Social Security with private accounts invested in the stock market is inconsistent with the budgets' projection of deficits for years to come. Reforming Social Security for the long-term, whether or not it is based on privatization, requires resources from outside of Social Security, and both Republican budgets squander those resources.

See *Where Is the Real Republican Budget?* further discussion.

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<sup>23</sup>The President's budget also displays \$169 million for 2003 and \$845 million over five years (2003-2007) in this function to account for the full cost of accruing all pensions, retired pay, and retiree health benefits for employees. This amount reflects only an accounting change and does not represent a programmatic increase. See *Appropriated Programs and Creative Accounting* for further discussion.